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TOURISM CENTER

A Summary of Select Trends among Minnesota Tourism Perceptions and Spending

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INTRODUCTION

Tourism is a diverse Minnesota industry which employs more than 10% of the workforce. Business expenditure data in tourism is monitored annually through state-level organizations. For example, according to Explore Minnesota, the state's annual gross sales in leisure and hospitality increased between 2009 and 2013 from $11 to $13 billion. More specifically, sales at leisure and hospitality businesses grew 39% from 2009 to 2013 (Explore Minnesota, 2015). Data collection assessing perceptions about tourism and resident spending on it, however, is less consistently performed. But this data is no less important, as Paulin states, "tourism expenditures are important to the average consumer and to the economy as a whole" (2012, p. 1).

Given this observation, in 2005 the University of Minnesota Tourism Center embarked on a series of studies to assess how Minnesotans view tourism, as well as monitor resident leisure-travel spending and intended spending. The purpose of this summary is to share results of these studies and to explore the following: 1) perceptions of the importance of tourism to Minnesota's economy, 2) self-reported leisure travel-related spending patterns, and 3) self-reported intended leisure travel spending during the next 12 months.

In sum, residents consistently reported tourism as an important part of Minnesota's economy, while spending and intended spending varied slightly across survey periods. In terms of perceptions regarding tourism, more than nine out of 10 Minnesota residents reported tourism as important to the state's economy during 2005-2009. Between 2011 and 2014, leisure travel spending habits fluctuated. They dipped in 2011 but increased and have remained stable since then. Following a similar pattern, intended spending on leisure travel in the next 12 months dipped in 2012, but has increased since that time.

METHODS

The University of Minnesota Tourism Center worked with the Minnesota Center for Survey Research to ask questions regarding travel to a representative sample of Minnesotans through a telephone interview. The Minnesota Center for Survey Research conducts an annual Minnesota State Survey (MSS) of adults, age 18 and over, who reside in Minnesota (Armson, 2006; 2007; 2008; 2009; 2011; 2012; 2013; 2014; 2015). Data collection occurs in the fall of each year, most often between September and November. In 2014, for example, data were collected from September through November. The MSS is an "omnibus" survey, meaning that individual organizations define and pay for questions that are of interest to them. This report focuses only on travel, recreation, and tourism-related questions asked for and funded by the University of Minnesota Tourism Center. About 800 telephone interviews are completed each year (Table 1). In 2009, only half of respondents were asked travel and recreation questions, and the Tourism Center did not buy any questions in 2010.

Prior to 2011, respondents were contacted via a landline. Noticing a decline in the number of young adult respondents, however, the MSS switched to a dual frame sample design in 2011. This design targets a certain percentage of telephone interviews completed through a landline and a certain percentage via cell phone. For 2011-2013, the target was 75% landline and 25% cell phone, while the 2014 target was 70% landline and 30% cell phone. To avoid contacting the same person twice, people with a cell phone were only allowed to complete the interview if they did not have a landline. All random digit samples were acquired from Survey Sampling International (SSI) of Shelton, Connecticut. Known business telephone numbers were excluded from the samples and selected random digit telephone numbers were screened for disconnects by SSI, using a computerized dialing protocol, which does not make the telephone ring but detects a unique dial tone emitted by some disconnected numbers.

Selection for the landline samples occurred in two stages: first a household telephone number was randomly selected, and then a person within the household was randomly selected. Respondent selection within the household was done using the person with the most recent birthday. These selection procedures guaranteed that every landline household in the state had an equal chance to be included in the survey, and that once the household was selected every adult had an equal chance to be included. The cell phone survey samples consisted of individual cell phone numbers assigned to Minnesota area codes. Cell phones classified as inactive/unassigned because they had not been used in the past 10 months were screened out. Cell phone respondents were screened out during the survey introduction to exclude those under 18 years of age, those whose main residence was outside of Minnesota, and those with a working landline telephone in their home. The cell phone interview was completed with the individual who answered the phone.

Interviewers were trained students, supervised closely in their work. To verify that respondents were in fact interviewed, between 5 and 15 percent of respondents each year were randomly selected to be contacted by a shift supervisor. All respondents confirmed they had been interviewed.

As all individuals who participate in the annual MSS are randomly selected from Minnesota's population, the survey results can be generalized to the entire state. All percentages presented generalize to the individual level vs household level. Give the sample size and procedures followed, the chance of answers varying by more than 3.5 percentage points from the response if all Minnesotans had been interviewed is one-time-in-twenty (Armson, 2006; 2007; 2008; 2009; 2011; 2012; 2013; 2014; 2015).

Table 1. Number and completion rates of Minnesota State Survey respondents by year

Year	Total n	n (landline)	n (cell phone)
2005*	802	802	N/A
	Response rate	34%	
	Cooperation rate	44%	
2006	803	803	
	Response rate	34%	
	Cooperation rate	43%	
2007	806	806	
	Response rate	36%	
	Cooperation rate	44%	
2008	805	805	
	Response rate	32%	
	Cooperation rate	39%	
2009	804	804	
	Response rate	34%	
	Cooperation rate	47%	
2010	No tourism-related questions asked		
2011	804	603	201
	Response rate	27%	12%
	Cooperation rate	41%	19%
2012	804	570	234
	Response rate	27%	13%
	Cooperation rate	37%	21%
2013	803	602	201
	Response rate	23%	14%
	Cooperation rate	42%	20%
2014	805	547	258
	Response rate	22%	14%
	Cooperation rate	36%	25%

* Part II – The 2005 survey was split into two independent surveys due to the number of questions. Travel and recreation was included in Part II.

Travel-related questions

Perceptions of importance: An ordinal (sequentially ordered) scale question assessed the importance of tourism among respondents from 2005 to 2009. Answer options included "very important," "somewhat important," "not very important," "not at all important," and "do not know." Respondents could also refuse to answer. Results reported include those who responded with anything except 'do not know.'

Previous year spending on leisure travel: An ordinal level scale question assessed spending in the last year from 2011 through 2014. Answers included "spent less," "spent about the same," "spent more," and "do not know." Respondents could also refuse to answer. A handful of respondents did not choose from the answers provided and instead volunteered the answer "no leisure travel in the past two years." Results reported are for those who responded and have travelled during the past two years.

Intentions for leisure travel spending: As with the other questions, an ordinal level scale question assessed intended leisure travel spending from 2011 through 2014. Answer options included "Plan to spend less," "Plan to spend about the same," "Plan to spend more," and "do not know." Respondents could also refuse to answer. Results reported are for those who responded.

RESULTS

Perceptions of the Economic Importance of Minnesota Tourism

Minnesotans viewed tourism is important to the state's economy across survey periods. The majority indicated tourism was important to the economy and, in each year of the survey, between 94% and 99% of respondents indicated tourism was either very important or somewhat important to the state's economy (Figure 1).

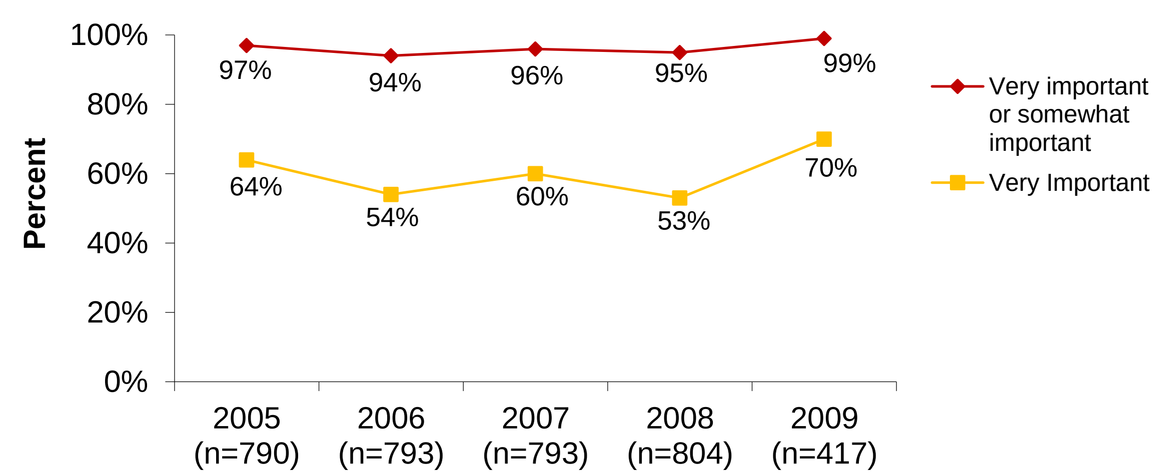

Figure 1. Percent of Minnesota residents who reported tourism as important or very important to the state's economy.

Past Travel Spending

Between 2011 and 2014, the majority of Minnesotans interviewed reported they spent about the same or more on leisure travel in the last 12 months than the year before (Figure 2). After decreasing by 5% from 2011 to 2012, this self-reported leisure travel expenditure has risen 9% since then.

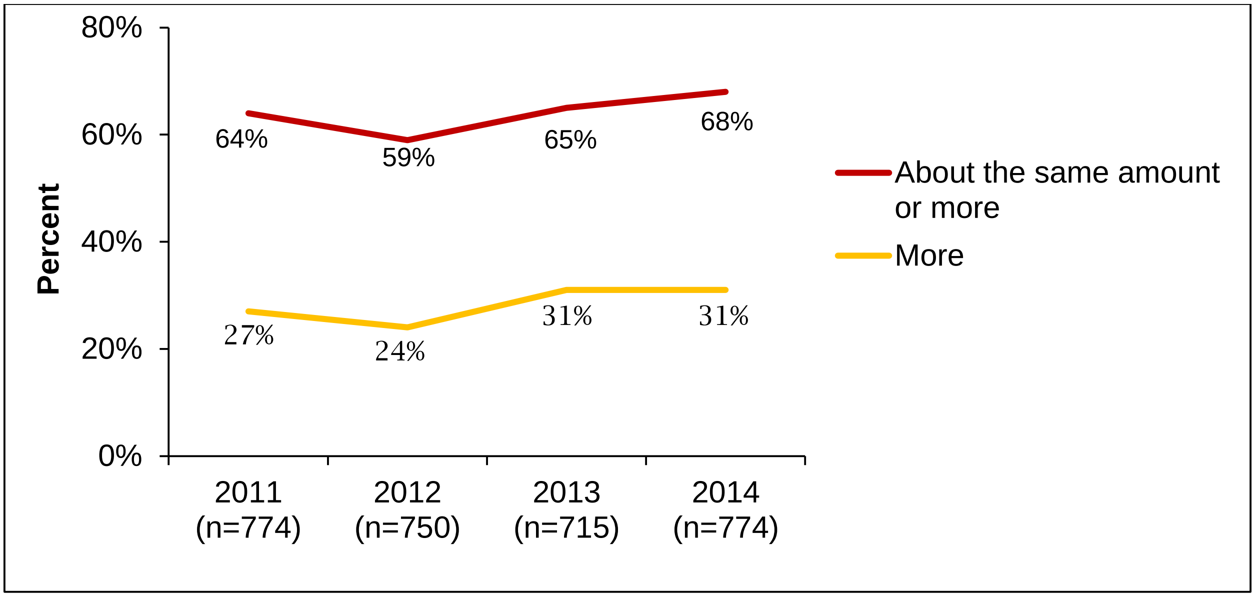

Figure 2. Percent of Minnesota resident travelers who reported spending about the same or more on leisure travel in the past 12 months as the year before.

Travel Spending Intentions

During the four years of this study, about half of respondents reported they intended to spend about the same on leisure travel in the next 12 months (between 49% and 54%) from 2011-2014 (Figure 3). However, after dipping 5% between 2011 and 2012 (from 24% to 19%), the percentage of respondents reported planning to spend more increased to 29% in 2014 (Figure 4).

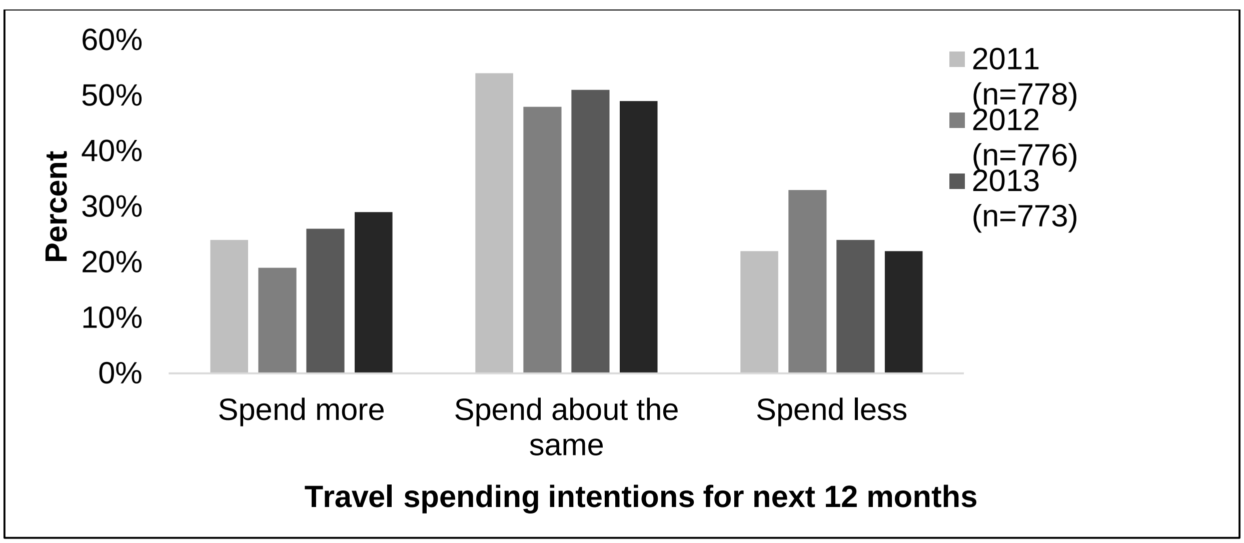

Figure 3. Minnesota resident leisure travel spending intentions in next twelve months.

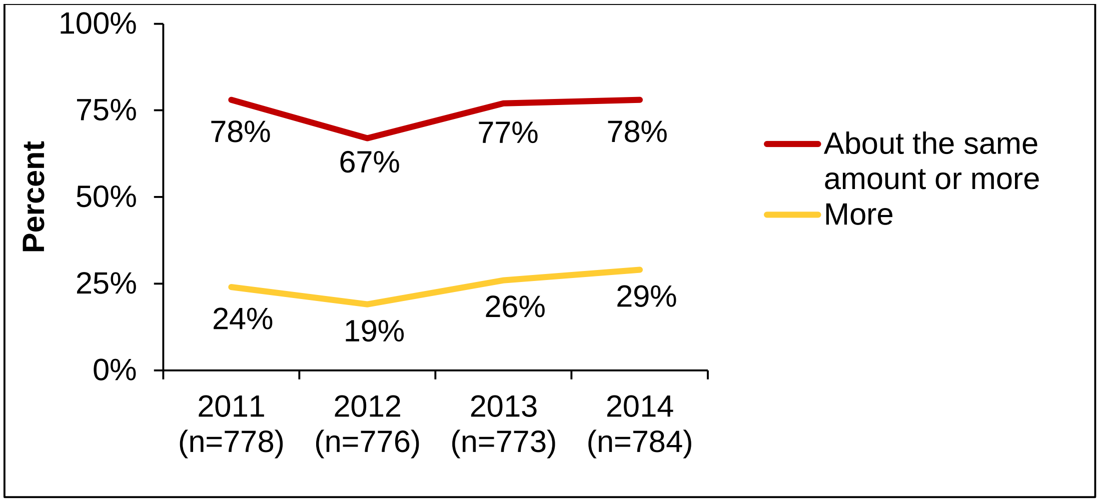

Figure 4. Percent of Minnesota residents who plan to spend about the same or more on leisure travel in the next twelve months.

BRIEF DISCUSSION

Monitoring resident perceptions of and expenditures in leisure-related travel can inform awareness and marketing campaigns, as well as gauge the impact of travel on state and local economies. This summary reveals Minnesotans value the impact of tourism on Minnesota's economy. As tourism is present in every Minnesota county, these results are not surprising. Given the consistently positive assessment of Minnesota tourism among residents, the Tourism Center turned its attention to questions of leisure travel spending.

A similar pattern of reported and predicted leisure-travel spending between 2011 and 2014 is encouraging for the travel industry in that steady increases are both predicted and reported. Given the relatively stable set of leisure-travel expenditures in both food and lodging sectors (Paulin, 2012; EMT 2015), this is positive for those areas in particular.

Certainly more detailed information on Minnesota traveler spending may be of interest to economic development organizations and the tourism industry as a whole (Paulin, 2012). National-level analysis can infuse economic impact estimates (Tourism Economics, 2012), and primary data collection options for such information exist (i.e. Davidson-Peterson, 2009). Regardless of method, however, ongoing monitoring provides insights across sectors and organizational types and provides important insight to track the influence of campaigns, significant events, and consumer opinion.

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